Remarks

The Office Action mailed June 1, 2004 and made final, and the Advisory Action mailed November 10, 2004 have been carefully reviewed and the following remarks have been made in consequence thereof.

Claims 1-73 are pending in this application. Claims 1-23 have been withdrawn from consideration. Claims 24-73 stand rejected.

In accordance with 37 C.F.R. 1.136(a), a three-month extension of time is submitted herewith to extend the due date of the response to the Office Action dated June 1, 2004 and made final, and the Advisory Action dated November 10, 2004, for the above-identified patent application from September 1, 2004 through and including December 1, 2004. An extension of one-month has already been secured. The fee paid therefore of $110.00 is deducted from the total fee due for the total months of extension now requested. Authorization to charge a deposit account in the amount of $870.00 to cover this extension of time request also is submitted herewith.

The rejection of Claims 24-34, 36-48, 50-60, and 62-73 under 35 U.S.C. § 103(a) as being unpatentable over *Accounting, Information Technology, and Business Solutions*, Anita Hollander et al., (McGraw-Hill 1999) ("Hollander") in view of Brown et al. (U.S. Patent 6,532,450) ("Brown") is respectfully traversed.

Applicants respectfully submit that neither Hollander nor Brown, considered alone or in combination, describe or suggest the claimed invention. As discussed below, at least one of the differences between the present invention and the cited references is that neither Hollander nor Brown, alone or in combination, describe or suggest a system for account reconciliation between a parent business entity and a subsidiary of the parent business entity that includes at least one remote computer associated with the subsidiary wherein the subsidiary computer is configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary, at least one remote computer associated with the parent wherein the parent computer is configured to prompt a user associated with the parent to enter account data relating to business activities of the

subsidiary, and a centralized database for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, neither Hollander nor Brown, alone or in combination, describe or suggest a system for account reconciliation between a parent and a subsidiary that includes a server associated with the parent and configured to calculate an account variance based on the parent maintained account data and the subsidiary maintained account data, and report the account variance to a user associated with the subsidiary by displaying on the subsidiary computer the account variance, an amount booked by the parent, and an amount booked by the subsidiary.

Furthermore, neither Hollander nor Brown, alone or in combination, describe or suggest a server configured to reconcile the account variance by prompting the user associated with the subsidiary to enter into the subsidiary computer additional accounting entries relating to the business activities of the subsidiary, and providing guidelines to the user relating to the account variance and the additional accounting entries including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary.

Additionally, neither Hollander nor Brown, alone or in combination, describe or suggest a server configured to automatically compare the additional accounting entries to the account data stored in the database to determine whether any of the additional accounting entries are duplicative of the account data stored in the database, automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary

computer based on the additional, non-duplicative accounting entries, and update the account information stored in the database based on the additional, non-duplicative accounting entries.

Hollander is a text book that generally discusses posting journal data to ledgers. According to Hollander, accounting systems usually include two types of ledgers: a general ledger and a subsidiary ledger. The general ledger holds numerous individual accounts that are grouped according to account type. Subsidiary ledgers support specific general ledger accounts that consist of many separate, individual accounts. The subsidiary ledgers include an accounts receivable subsidiary ledger, an accounts payable subsidiary ledger, an employee payroll subsidiary register, an inventory subsidiary ledger, and a fixed asset subsidiary ledger. For example, a firm with a substantial number of accounts receivable customers will have one subsidiary ledger account for each credit customer. After a specific period of time (e.g., each week or month), the totals in each specific journal are summed and posted to the appropriate general ledger accounts. Notably, the general ledger and the subsidiary ledgers described in Hollander do not describe or teach an account reconciliation system between a parent and a subsidiary of a business entity.

Brown describes a system that includes a first financial management system handling receivables and a second financial management system handling payables. The receivables system sends debt offset information to an offset payment system and the payables system sends payment information to the offset payments system. The offset payment system either makes a payment or offsets the payment with the debt. The financial management systems receive offset information from the offset payment system. The system designates debt and payments that are suitable for offset using threshold criteria. The system allows administrative fees and other charges, such as interest and penalties, to be added to the debt. During the referral of the debt to the offset payments system, the debtor as well as other parties, such as credit bureaus, are informed or notified of the delinquent debt. When an offset occurs the system feeds the amount of the offset back to the receivables and payables systems to update the records therein to reflect the amount and that the amount was an offset. That is, an authorized payment is shown as fully or partially offset and a debt is shown as fully or partially satisfy via the offset. The records of financial management systems are

updated when a payment is made by the debtor after a referral has occurred, when a decision is made to write-off the debt.

Claim 24 recites a system for account reconciliation between a parent business entity and a subsidiary of the parent business entity, the system includes "at least one remote computer associated with the subsidiary, the subsidiary computer configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary...at least one remote computer associated with the parent, the parent computer configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary...a centralized database for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data...and a server associated with the parent in communication with each of the subsidiary computer, the parent computer and the centralized database, the server configured to...receive the parent maintained account data from the parent computer...receive the subsidiary maintained account data from the subsidiary computer...calculate an account variance based on the parent maintained account data and the subsidiary maintained account data...report the account variance to a user associated with the subsidiary by displaying on the subsidiary computer the account variance, an amount booked by the parent, and an amount booked by the subsidiary...reconcile the account variance by prompting the user associated with the subsidiary to enter into the subsidiary computer additional accounting entries relating to the business activities of the subsidiary, and providing guidelines to the user relating to the account variance and the additional accounting entries including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there

have been any improper entries charged to the subsidiary...automatically compare the additional accounting entries to the account data stored in the database to determine whether any of the additional accounting entries are duplicative of the account data stored in the database...automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary computer based on the additional, non-duplicative accounting entries...and update the account information stored in the database based on the additional, non-duplicative accounting entries."

Neither Hollander nor Brown, considered alone or in combination, describe or suggest a system for account reconciliation between a parent business entity and a subsidiary of the parent business entity that includes at least one remote computer associated with the subsidiary wherein the subsidiary computer is configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary, at least one remote computer associated with the parent wherein the parent computer is configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary, and a centralized database for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data.

Moreover, neither Hollander nor Brown, considered alone or in combination, describe or suggest a system for account reconciliation between a parent and a subsidiary that includes a server associated with the parent and configured to calculate an account variance based on the parent maintained account data and the subsidiary maintained account data, and report the account variance to a user associated with the subsidiary by displaying on the subsidiary computer the account variance, an amount booked by the parent, and an amount booked by the subsidiary.

Furthermore, neither Hollander nor Brown, considered alone or in combination, describe or suggest a server configured to reconcile the account variance by prompting the user associated with the subsidiary to enter into the subsidiary computer additional accounting entries relating to the business activities of the subsidiary, and providing guidelines to the user relating to the account variance and the additional accounting entries

including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary.

Additionally, neither Hollander nor Brown, considered alone or in combination, describe or suggest a server configured to automatically compare the additional accounting entries to the account data stored in the database to determine whether any of the additional accounting entries are duplicative of the account data stored in the database, automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary computer based on the additional, non-duplicative accounting entries, and update the account information stored in the database based on the additional, non-duplicative accounting entries.

Rather, Hollander generally discusses posting journal data to two types of ledgers: a general ledger and a subsidiary ledger, wherein a general ledger holds numerous individual accounts that are grouped according to account type and a subsidiary ledger provides support for specific general ledger accounts; and Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt.

As noted above and as submitted by Applicants during the September 13th telephone interview with the Examiner, the general ledger and the subsidiary ledgers described in Hollander do not describe an account reconciliation system between a parent and a subsidiary of a business entity. In fact, Hollander does not describe or suggest a relationship between business entities that includes a subsidiary and a parent business entity. Accordingly, in contrast to what it has been asserted in the Office Action, Hollander does not describe or

suggest an account reconciliation system between a parent and a subsidiary of a business entity.

The Advisory Action recognizes that Hollander does not describe reconciling accounts between a parent and a subsidiary entity of the parent. However, the Advisory Action asserts that Hollander describes a system that reconciles accounts as required by the claims. Applicants respectfully traverse this assertion. Hollander describes posting journal data to two types of ledgers: a general ledger and a subsidiary ledger. The data posted to the subsidiary ledger is periodically summed and posted to the general ledger. Hollander also describes posting adjusted entries. However, Hollander only discusses posting entries within the accounting books of a single business entity. Hollander does not describe, teach or even suggest reconciling accounts between a parent business entity and a subsidiary of the parent business entity. In fact, Hollander fails to address any of the issues that arise as a result of maintaining accounts between a parent and a subsidiary business entity.

Moreover, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt. For example, federal agency ABC may have delinquent debt with a vendor while federal agency XYZ is making payments to the same vendor (col. 1, lines 36-38). If, in the example, the outstanding debt is $1000 and the payment to be made is $1800, then the system will record a collection amount of $1000 and a refund amount to be paid to the vendor of $800 (col. 11, lines 45-58). In other words, Brown describes a financial management system that offsets delinquent debt using payables information, and then reconciles the accounts to ensure that they are synchronized. Notably, Brown does not describe or teach a system for account reconciliation between a parent and a subsidiary of a business entity that reconciles an account variance by prompting a user associated with the subsidiary to enter into a subsidiary computer additional accounting entries relating to the business activities of the subsidiary as recited in the present claims.

Although Brown discusses at col. 15, lines 15-35 a reconciliation process, Brown does not describe or teach a system for account reconciliation between a parent and a

subsidiary of a business entity that includes reconciling an account variance as recited in the present claims. Rather, Brown describes at col. 15, lines 15-35 the reconciliation process as follows:

> In performing the reconciliation, the financial management system receivable or payment records 613 referred for offset are accessed. Each receivable or payment record is compared to the corresponding record in the offset payment system 18....The system also determines 626 whether a discrepancy exists and if so whether 628 synchronization is to be performed. For example, a debt referral record in the financial management system might have an amount of $2000. The same record in the offset system might have an amount of $20000. Invoking the synchronization based on the financial management system option in this case will result in the creation of a debt update file 630 correction transaction for $2000 synchronizing the offset system 18 with the financial management system 14. Invoking the synchronization based on offset system option in this case will result in the creation of a receivable modification transaction 630 netting to $20000 in the financial management system receivables file 634 synchronizing the financial management system 14 with the offset system 18.

In other words, the reconciliation process described in Brown is a synchronization of payments, debts, and offsets within the accounts receivable and accounts payable systems. Brown does not describe or teach a system for account reconciliation between a parent and a subsidiary of a business entity. Accordingly, Applicants respectfully submit that Claim 24 is patentable over Hollander in view of Brown.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 103(a) rejection of Claim 24 be withdrawn.

Claims 25-31 depend from independent Claim 24 which is submitted to be in condition for allowance. When the recitations of Claims 25-31 are considered in combination with the recitations of Claim 24, Applicants submit that dependent Claims 25-31 are also patentable over Hollander in view of Brown.

Claim 32 recites a network-based system for managing accounts reconciliation between a parent business entity and a subsidiary of the parent business entity, the system includes "at least one remote sub-system associated with the subsidiary, the subsidiary sub-system comprising a browser and configured to prompt a user associated with the subsidiary

to enter account data relating to business activities of the subsidiary...at least one computer associated with the parent, the parent computer configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary...a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent maintained account data and the subsidiary maintained account data...and a server sub-system associated with the parent and in communication with each of the subsidiary sub-system, the parent computer, and said database, said server sub-system further configured to...receive the parent maintained account data from the parent computer...receive the subsidiary maintained account data from the subsidiary sub-system...calculate an account variance based on the parent maintained account data and the subsidiary maintained account data...report the account variance to a user associated with the subsidiary by displaying on the subsidiary sub-system the account variance, an amount booked by the parent, and an amount booked by the subsidiary...reconcile the account variance by prompting the user associated with the subsidiary to enter into the at least one subsidiary sub-system additional accounting entries relating to the business activities of the subsidiary, and providing guidelines to the user relating to the account variance and the additional accounting entries including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary...automatically compare the additional accounting entries to the account data stored in the data storage device to determine whether any of the additional accounting entries are duplicative of the account data stored in the data storage device...automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary sub-system based on the additional,

non-duplicative accounting entries...and update the account information stored in the data storage device and the account variance based on the additional, non-duplicative accounting entries."

Neither Hollander nor Brown, considered alone or in combination, describe or suggest a network-based system for managing accounts reconciliation between a parent business entity and a subsidiary of the parent business entity that includes at least one remote sub-system associated with the subsidiary wherein the subsidiary sub-system is configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary, at least one computer associated with the parent wherein the parent computer is configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary, and a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent maintained account data and the subsidiary maintained account data.

Moreover, neither Hollander nor Brown, considered alone or in combination, describe or suggest a system for managing accounts reconciliation between a parent business entity and a subsidiary of the parent business entity that includes a server sub-system associated with the parent and in communication with each of the subsidiary sub-system, the parent computer, and the database, wherein the server sub-system is configured to calculate an account variance based on the parent maintained account data and the subsidiary maintained account data, and report the account variance to a user associated with the subsidiary by displaying on the subsidiary sub-system the account variance, an amount booked by the parent, and an amount booked by the subsidiary.

Furthermore, neither Hollander nor Brown, considered alone or in combination, describe or suggest a server sub-system configured to reconcile the account variance by prompting the user associated with the subsidiary to enter into the at least one subsidiary sub-system additional accounting entries relating to the business activities of the subsidiary, and providing guidelines to the user relating to the account variance and the additional accounting entries including guidelines relating to at least one of a timing of recording items including

whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary.

Additionally, neither Hollander nor Brown, considered alone or in combination, describe or suggest a server sub-system configured to automatically compare the additional accounting entries to the account data stored in the data storage device to determine whether any of the additional accounting entries are duplicative of the account data stored in the data storage device, automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary sub-system based on the additional, non-duplicative accounting entries, and update the account information stored in the data storage device and the account variance based on the additional, non-duplicative accounting entries.

Rather, Hollander generally discusses posting journal data to two types of ledgers: a general ledger and a subsidiary ledger, wherein a general ledger holds numerous individual accounts that are grouped according to account type and a subsidiary ledger provides support for specific general ledger accounts; and Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt.

As noted above and as submitted by Applicants during the September 13th telephone interview with the Examiner, the general ledger and the subsidiary ledgers described in Hollander do not describe an account reconciliation system between a parent and a subsidiary of a business entity. In fact, Hollander does not describe or suggest a relationship between business entities that includes a subsidiary and a parent business entity. Accordingly, in contrast to what it has been asserted in the Office Action and the Advisory Action, Hollander

does not describe or suggest an account reconciliation system between a parent and a subsidiary of a business entity.

Moreover, Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt. In other words, Brown describes a financial management system that offsets delinquent debt using payables information, and then reconciles the accounts to ensure that they are synchronized. Notably, Brown does not describe or teach a system for managing accounts reconciliation between a parent and a subsidiary of a business entity as recited in the present claims. Accordingly, Applicants respectfully submit that Claim 32 is patentable over Hollander in view of Brown.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 103(a) rejection of Claim 32 be withdrawn.

Claims 33, 34, 36-48, 50-60, and 62-69 depend from independent Claim 32 which is submitted to be in condition for allowance. When the recitations of Claims 33, 34, 36-48, 50-60, and 62-69 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 33, 34, 36-48, 50-60, and 62-69 are also patentable over Hollander in view of Brown.

Claim 70 recites a network based account reconciliation system for reconciling accounts between a parent business entity and a subsidiary of the parent business entity, the system includes "a client sub-system associated with the subsidiary, the client sub-system including a browser and configured to prompt a user associated with the subsidiary to enter account data relating to the business activities of the subsidiary...a remote computer associated with the parent, the parent computer configured to prompt a user associated with the parent to enter account data relating to the business activities of the subsidiary...a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing

differences between the parent maintained account data and the subsidiary maintained account data...a server sub-system configured to be coupled to each of said client sub-system, said parent computer, and said database, said server sub-system further configured to...receive the parent maintained account data from the parent...receive the subsidiary maintained account data from the client sub-system...calculate an account variance based on the parent maintained account data and the subsidiary maintained account data...report the account variance to a user associated with the subsidiary by displaying on the client sub-system the account variance, an amount booked by the parent, and an amount booked by the subsidiary...reconcile the account variance by prompting the user associated with the subsidiary to enter into the client sub-system additional accounting entries relating to the business activities of the subsidiary including at least one of an amount booked by the subsidiary, an amount booked by the parent, a currency code, a conversion rate, a local amount, a transaction date, and an amount identified in a journal of the parent...automatically compare the additional accounting entries to the account data stored in the data storage device to determine whether any of the additional accounting entries are duplicative of the account data stored in the data storage device...automatically update the account variance and the amount booked by the subsidiary as displayed on the client sub-system based on the additional, non-duplicative accounting entries...and update the account information stored in the data storage device and the account variance based on the additional, non-duplicative accounting entries."

Neither Hollander nor Brown, considered alone or in combination, describe or suggest a network based account reconciliation system for reconciling accounts between a parent business entity and a subsidiary of the parent business entity that includes a client sub-system associated with the subsidiary wherein the client sub-system is configured to prompt a user associated with the subsidiary to enter account data relating to the business activities of the subsidiary, a remote computer associated with the parent wherein the parent computer is configured to prompt a user associated with the parent to enter account data relating to the business activities of the subsidiary, and a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the

subsidiary, and variance data showing differences between the parent maintained account data and the subsidiary maintained account data.

Moreover, neither Hollander nor Brown, considered alone or in combination, describe or suggest a server sub-system configured to calculate an account variance based on the parent maintained account data and the subsidiary maintained account data, and report the account variance to a user associated with the subsidiary by displaying on the client sub-system the account variance, an amount booked by the parent, and an amount booked by the subsidiary.

Furthermore, neither Hollander nor Brown, considered alone or in combination, describe or suggest a server sub-system configured to reconcile the account variance by prompting the user associated with the subsidiary to enter into the client sub-system additional accounting entries relating to the business activities of the subsidiary including at least one of an amount booked by the subsidiary, an amount booked by the parent, a currency code, a conversion rate, a local amount, a transaction date, and an amount identified in a journal of the parent.

Additionally, neither Hollander nor Brown, considered alone or in combination, describe or suggest a server sub-system configured to automatically compare the additional accounting entries to the account data stored in the data storage device to determine whether any of the additional accounting entries are duplicative of the account data stored in the data storage device, automatically update the account variance and the amount booked by the subsidiary as displayed on the client sub-system based on the additional, non-duplicative accounting entries, and update the account information stored in the data storage device and the account variance based on the additional, non-duplicative accounting entries.

Rather, Hollander generally discusses posting journal data to two types of ledgers: a general ledger and a subsidiary ledger, wherein a general ledger holds numerous individual accounts that are grouped according to account type and a subsidiary ledger provides support for specific general ledger accounts; and Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such

that the offset payment system either makes a payment or offsets the payment with the debt. Accordingly, Applicants respectfully submit that Claim 70 is patentable over Hollander in view of Brown.

For at least the reasons set forth above, Claim 70 is submitted to be patentable over Hollander in view of Brown.

Claims 71-73 depend from independent Claim 70 which is submitted to be in condition for allowance. When the recitations of Claims 71-73 are considered in combination with the recitations of Claim 70, Applicants submit that dependent Claims 71-73 are also patentable over Hollander in view of Brown.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claims 24-34, 36-48, 50-60, and 62-73 be withdrawn.

The rejection of Claim 35 under 35 U.S.C. § 103(a) as being unpatentable over Hollander in view of Brown and further in view of Yarnall et al. (U.S. Patent No. 6,625,617) ("Yarnall") is respectfully traversed.

Hollander and Brown are both described above. Yarnall describes a generation of output or reports in a standardized or uniform manner based on information contained in a data source which may be any of two or more types of source data. A plurality of drivers are provided specific to different types of source data which include programming for identifying structural or other characteristics of the various data sources. A new database is configured to permit highly flexible and/or rapid output or reporting or is otherwise optimized for reporting purposes. The apparatus includes conversion of one or more data sources into one or more uniform databases, preferably generating one or more key categories for organizing the data, optionally generating category groupings or rollups and additional data or optional references. One or more databases are created which have a degree of uniformity of structure, even though they may be based on two or more different data sources which may have very different structures. The different data sources are automatically analyzed and this analysis can be used to identify and/or create categories of data for use in organizing the database.

Claim 35 depends from independent Claim 32. Claim 32 is recited hereinabove.

None of Hollander, Brown or Yarnall, considered alone or in combination, describe or suggest a network-based system for managing accounts reconciliation between a parent business entity and a subsidiary of the parent business entity that includes at least one remote sub-system associated with the subsidiary wherein the subsidiary sub-system is configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary, at least one computer associated with the parent wherein the parent computer is configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary, and a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent maintained account data and the subsidiary maintained account data.

Moreover, none of Hollander, Brown or Yarnall, considered alone or in combination, describe or suggest a system for managing accounts reconciliation between a parent business entity and a subsidiary of the parent business entity that includes a server sub-system associated with the parent and in communication with each of the subsidiary sub-system, the parent computer, and the database, wherein the server sub-system is configured to calculate an account variance based on the parent maintained account data and the subsidiary maintained account data, and report the account variance to a user associated with the subsidiary by displaying on the subsidiary sub-system the account variance, an amount booked by the parent, and an amount booked by the subsidiary.

Furthermore, none of Hollander, Brown or Yarnall, considered alone or in combination, describe or suggest a server sub-system configured to reconcile the account variance by prompting the user associated with the subsidiary to enter into the at least one subsidiary sub-system additional accounting entries relating to the business activities of the subsidiary, and providing guidelines to the user relating to the account variance and the additional accounting entries including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when

the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary.

Additionally, none of Hollander, Brown or Yarnall, considered alone or in combination, describe or suggest a server sub-system configured to automatically compare the additional accounting entries to the account data stored in the data storage device to determine whether any of the additional accounting entries are duplicative of the account data stored in the data storage device, automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary sub-system based on the additional, non-duplicative accounting entries, and update the account information stored in the data storage device and the account variance based on the additional, non-duplicative accounting entries.

Rather, Hollander generally discusses posting journal data to two types of ledgers: a general ledger and a subsidiary ledger, wherein a general ledger holds numerous individual accounts that are grouped according to account type and a subsidiary ledger provides support for specific general ledger accounts; Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt; and Yarnall describes an apparatus that includes conversion of one or more data sources into one or more uniform databases, preferably generating one or more key categories for organizing the data, optionally generating category groupings or rollups and additional data or optional references. Accordingly, Applicants respectfully submit that Claim 32 is patentable over Hollander in view of Brown and further in view of Yarnall.

When the recitations of Claim 35 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claim 35 is also patentable over Hollander in view of Brown and further in view of Yarnall.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claim 35 be withdrawn.

The rejection of Claims 49 and 61 under 35 U.S.C. § 103(a) as being unpatentable over Hollander in view of Brown and further in view of Erwin et al. (U.S. Patent No. 6,249,770) ("Erwin") is respectfully traversed.

Hollander and Brown are both described above. Erwin describes a computerized system for automatically spreading and analyzing historical financial statements and generating financial forecasts. The system receives and stores information about a company, forecast parameters, including, for example, inflation adjustments, exchange rates, last historic year, and historical account data for the company, and automatically generates financial forecasts for the company. Information can be imported to the system and exported from the system, for example, over a network.

Claims 49 and 61 depend from independent Claim 32. Claim 32 is recited hereinabove.

None of Hollander, Brown or Erwin, considered alone or in combination, describe or suggest a network-based system for managing accounts reconciliation between a parent business entity and a subsidiary of the parent business entity that includes at least one remote sub-system associated with the subsidiary wherein the subsidiary sub-system is configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary, at least one computer associated with the parent wherein the parent computer is configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary, and a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent maintained account data and the subsidiary maintained account data.

Moreover, none of Hollander, Brown or Erwin, considered alone or in combination, describe or suggest a system for managing accounts reconciliation between a parent business

entity and a subsidiary of the parent business entity that includes a server sub-system associated with the parent and in communication with each of the subsidiary sub-system, the parent computer, and the database, wherein the server sub-system is configured to calculate an account variance based on the parent maintained account data and the subsidiary maintained account data, and report the account variance to a user associated with the subsidiary by displaying on the subsidiary sub-system the account variance, an amount booked by the parent, and an amount booked by the subsidiary.

Furthermore, none of Hollander, Brown or Erwin, considered alone or in combination, describe or suggest a server sub-system configured to reconcile the account variance by prompting the user associated with the subsidiary to enter into the at least one subsidiary sub-system additional accounting entries relating to the business activities of the subsidiary, and providing guidelines to the user relating to the account variance and the additional accounting entries including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary.

Additionally, none of Hollander, Brown or Erwin, considered alone or in combination, describe or suggest a server sub-system configured to automatically compare the additional accounting entries to the account data stored in the data storage device to determine whether any of the additional accounting entries are duplicative of the account data stored in the data storage device, automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary sub-system based on the additional, non-duplicative accounting entries, and update the account information stored in the data storage device and the account variance based on the additional, non-duplicative accounting entries.

Rather, Hollander generally discusses posting journal data to two types of ledgers: a general ledger and a subsidiary ledger, wherein a general ledger holds numerous individual accounts that are grouped according to account type and a subsidiary ledger provides support for specific general ledger accounts; Brown describes a financial management system in communication with an offset payment system, wherein the financial management system sends debt offset information and payables information to the offset payment system such that the offset payment system either makes a payment or offsets the payment with the debt; and Erwin describes a system that receives and stores information about a company, forecast parameters, including, inflation adjustments, exchange rates, last historic year, and historical account data for the company, and automatically generates financial forecasts for the company. Accordingly, Applicants respectfully submit that Claim 32 is patentable over Hollander in view of Brown and further in view of Erwin.

When the recitations of Claims 49 and 61 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 49 and 61 are also patentable over Hollander in view of Brown and further in view of Erwin.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claims 49 and 61 be withdrawn.

In addition to the arguments set forth above, Applicants respectfully submit that the rejection of Claims 24-34, 36-48, 50-60, and 62-73 under 35 U.S.C. § 103(a) as being unpatentable over Hollander in view of Brown; the rejection of Claim 35 under 35 U.S.C. § 103(a) as being unpatentable over Hollander in view of Brown and further in view of Yarnall; and the rejection of Claims 49 and 61 under 35 U.S.C. § 103(a) as being unpatentable over Hollander in view of Brown and further in view of Erwin are further traversed on the grounds that these Section 103 rejections are not proper rejections.

Obviousness cannot be established by merely suggesting that it would have been obvious to one of ordinary skill in the art to modify Hollander using the teachings of Brown, Yarnall, or Erwin. More specifically, as is well established, obviousness cannot be established by combining the teachings of the cited art to produce the claimed invention, absent some teaching, suggestion, or incentive supporting the combination. None of

Hollander, Brown, Yarnall, or Erwin, describe or suggest the claimed combination. Furthermore, in contrast to the assertion within the Office Action, Applicants respectfully submit that it would not be obvious to one skilled in the art to combine Hollander, Brown, Yarnall, or Erwin because there is no motivation to combine the references suggested in the art. Rather, the Examiner has not pointed to any prior art that teaches or suggests to combine the disclosures, other than Applicants' own teaching.

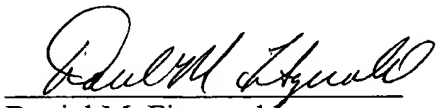
As the Federal Circuit has recognized, obviousness is not established merely by combining references having different individual elements of pending claims. Ex parte Levengood, 28 U.S.P.Q.2d 1300 (Bd. Pat. App. & Inter. 1993). MPEP 2143.01. Rather, there must be some suggestion, outside of Applicants' disclosure, in the prior art to combine such references, and a reasonable expectation of success must be both found in the prior art, and not based on Applicants' disclosure. In re Vaeck, 20 U.S.P.Q.2d 1436 (Fed. Cir. 1991). In the present case, neither a suggestion or motivation to combine the prior art disclosures, nor any reasonable expectation of success has been shown.

Furthermore, it is impermissible to use the claimed invention as an instruction manual or "template" to piece together the teachings of the cited art so that the claimed invention is rendered obvious. Specifically, one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the art to deprecate the claimed invention. Further, it is impermissible to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art. The present Section 103 rejection is based on a combination of teachings selected from multiple patents in an attempt to arrive at the claimed invention. Since there is no teaching nor suggestion in the cited art for the claimed combination, the Section 103 rejection appears to be based on a hindsight reconstruction in which isolated disclosures have been picked and chosen in an attempt to deprecate the present invention. Of course, such a combination is impermissible, and for this reason alone, Applicants respectfully request that the Section 103 rejection be withdrawn.

For at least the reasons set forth above, Applicants respectfully request that the rejection of Claims 24-34, 36-48, 50-60, and 62-73; the rejection of Claim 35; and the rejection of Claims 49 and 61 be withdrawn.

In view of the foregoing remarks, all the Claims now active in the application are believed to be in condition for allowance. Favorable action is respectfully solicited.

Respectfully Submitted,



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